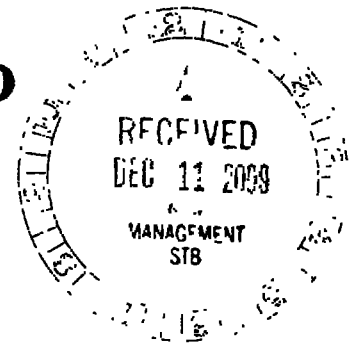


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FEE RECEIVED

DEC 11 2009

SURFACE

TRANSPORTATION BOARD

December 11, 2009

Via Hand Delivery

Cynthia T. Brown
Chief, Section of Administration, Office of Proceedings
Surface Transportation Board
395 E. Street, SW
Washington, D.C. 20423

RE: STB Finance Docket No. FD-35335 *Freedom Rail Management, LLC - Continuance in Control Exemption - Columbia & Reading Railroad, LLC.*

Dear Secretary Quinlan:

Enclosed please find the original and ten (10) copies of the Verified Notice of Exemption of Freedom Rail Management ("FRM") together with twenty (20) additional copies of the maps, for filing in the above referenced docket. A check in the amount of \$1,700.00, made payable to the Surface Transportation Board, is also enclosed to cover the related filing fee. As a courtesy, electronic copies of this filing in Microsoft Word and Adobe Acrobat are contained on the enclosed diskette.

One additional copy of this filing is enclosed for stamping and return to our offices.

Should you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Sincerely,

Jeffrey O. Moreno
Jennifer M. Gartlan
Counsel for Freedom Rail Management, LLC

ENTREPRENEUR
Office of the Secretary

DEC 11 2009

Public Reading

FILED

DEC 11 2009

**SURFACE
TRANSPORTATION BOARD**

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FILED

DEC 11 2009

STB Finance Docket No. FD-35335

**SURFACE
TRANSPORTATION BOARD**

**FREEDOM RAIL MANAGEMENT, LLC
— CONTINUANCE IN CONTROL EXEMPTION —
COLUMBIA & READING RAILWAY CO.**

FEE RECEIVED

DEC 11 2009

**VERIFIED NOTICE OF EXEMPTION
OF
FREEDOM RAIL MANAGEMENT LLC**

**SURFACE
TRANSPORTATION BOARD**

RECEIVED
DEC 11 2009
Part of
Public Record

Applicant, Freedom Rail Management, LLC ("FRM") pursuant to 49 U.S.C. § 10502, 49 C.F.R. §§ 1180.2(d)(2), and 1180.4(g), files this Verified Notice of Exemption to be relieved from the prior approval requirements of 49 U.S.C. §§ 11323-11325, to permit FRM to continue in control of the Columbia & Reading Railway Co. ("CORY"), a Class III rail carrier, through a Membership Interest Purchase Agreement between FRM and Railway Management, Inc ("RMI"). FRM currently controls the Claremont Concord Railroad, a Class III rail carrier.

FRM's mailing address is Freedom Rail Management, LLC, 197 Dock Street, Schuylkill Haven, PA 17972 (Tel: (570) 593-8211). FRM intends to acquire control of the CORY, a carrier whose lines do not connect with the lines of the CCRR. The proposed continuance of control is not part of a series of anticipated transactions that would connect the railroads with each other or with any other railroad controlled by FRM. The transaction does not involve a Class I railroad.

Required Information

In accordance with the provisions of 49 C.F.R. 1180.4(g), FRM provides the following information as required by 49 C.F.R. § 1180.6(a)(1)(i)-(iii), a(5), a(6), and a(7)(ii):

(a)(1)(i) FRM is a noncarrier that controls the CCRR, which operates a total of four (4) miles of railroad line in Lebanon and Claremont New Hampshire. The CCRR leases two (2) miles of railroad line in Lebanon, New Hampshire from the New Hampshire Department of Transportation. The CCRR owns two (2) miles of railroad line in Claremont, New Hampshire. FRM seeks to purchase 51% of the membership shares of the CORY, which owns 2.5 miles of rail line in Lancaster County, Pennsylvania (the "Line") through a Membership Purchase Agreement between FRM and RMI. RMI is a non-carrier that currently holds 100% ownership interest in the CORY.

The Frank Sahd Salvage Center ("Sahd Salvage") transferred the Line to CORY in 2004, pursuant to a Notice of Verified Exemption in STB Docket No. FD-34534, Columbia & Reading Railway Co.-Acquisition Exemption-Frank Sahd Salvage Center, Inc., (Served Aug. 27, 2004). Sahd Salvage acquired the Line through the OFA sale process from the 1411 Corporation, pursuant to 49 U.S.C. § 10904 and the regulations promulgated thereunder and subsequently sold its interest to RMI in 2009. The Line was formerly operated by the Middletown & Hummelstown Railroad Company. See STB Docket No. AB-581X, 1411 Corporation—Abandonment Exemption—in Lancaster County, PA, (Served Nov. 8, 2001) and STB Docket No. AB-529X, Middletown & Hummelstown Railroad Company—Abandonment Exemption—in Lancaster County, PA, (Served Nov. 8, 2001), aff'd Borough of Columbia v. STB, 342 F.3d 222 (3rd Cir. 2003).

Counsel to whom questions concerning the proposed transaction may be addressed are:

Jeffrey O. Moreno
Jennifer M. Gartlan
Thompson Hine LLP
1920 N Street, N.W.
Suite 800
Washington, DC 20036-1601
(202) 331-8800

(a)(1)(ii) The proposed transaction would be consummated on or after thirty days from the date of filing with the Board of this Notice of Exemption.

(a)(1)(iii) The proposed transaction will streamline resources to maximize economic efficiencies and to provide superior service to shippers that will utilize the CORY railroad line.

(a)(5) The four (4) miles of railroad line operated by the CCRR are located exclusively in New Hampshire. The two and one half (2.5) miles of railroad line owned by the CORY are located exclusively in Pennsylvania.

(a)(6) As discussed above, the CCRR operates exclusively within New Hampshire whereas the CORY will operate exclusively in Pennsylvania. As such, maps showing the lines controlled by CCRR and the lines controlled by CORY are attached as Exhibit 1. Twenty (20) extra copies of the maps are also included.

(a)(7)(ii) A draft copy of the Membership Interest Purchase Agreement is included as Exhibit 2.

Labor Protection. The CCRR and CORY are Class III railroads. As such, under 49 U.S.C. § 11326(c) labor protection need not be accorded to their employees.

Environmental and Historic Documentation. The proposed transaction will result in no significant changes in carrier operations, i.e., changes which exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5). The proposed transaction qualified under 49 C.F.R. §

1105.6(c)(2)(i) and 49 C.F.R. § 11508.8(b)(1), and neither an Environmental Report nor a Historic report need be filed.

Respectfully submitted,

Freedom Rail Management, Inc.

By its attorneys,

A handwritten signature in dark ink, appearing to read "Jeffrey O. Moreno", is written over a horizontal line.

Jeffrey O. Moreno
Jennifer M. Garlan
Thompson Hine LLP
1920 N Street, N.W.
Suite 800
Washington, DC 20036-1601
(202) 331-8800

Dated: December 11, 2009

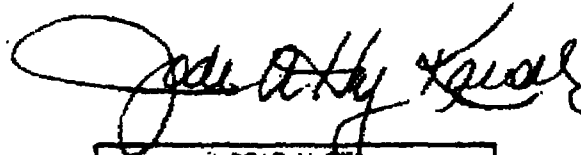
VERIFICATION

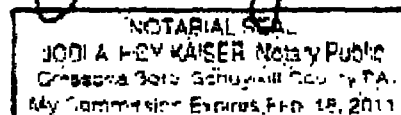
I, Chris Freed, President of Freedom Rail Management LLC, declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing Verified Notice of Exemption and that its statements are true and correct to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification on behalf of Freedom Rail Management LLC. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. § 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. § 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated at Schuylkill, Pennsylvania, this 10th day of December 2009


Chris Freed

December 10, 2009





CAPTION SUMMARY
BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. FD-35335

FREEDOM RAIL MANAGEMENT LLC
—CONTINUANCE IN CONTROL EXEMPTION —
COLUMBIA READING RAILWAY CO.

Freedom Rail Management LLC ("FRM"), a non-carrier, has filed a Verified Notice of Exemption for Continuance in Control. FRM. intends to purchase a fifty-one (51%) membership interest in CORY from Railway Management Inc. ("RMI"), so that CORY may provide common carrier service to shippers along its rail line. Comments must be filed with the Board and served on Jeffrey O. Moreno, Esq., Thompson Hine LLP, 1920 N Street, N.W., Suite 800, Washington, D.C. 20036 (tel. 202-331-8800). The Verified Notice of Exemption is filed pursuant to 49 U.S.C. § 10502, 49 C.F.R. §§ 1180.2(d)(2), and 1180.4(g). If the Notice contains false or misleading information, then the exemption is void *ab initio*. Petitions to revoke the exemption, pursuant to 49 U.S.C. § 10502(d), may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

EXHIBIT 1

MAPS

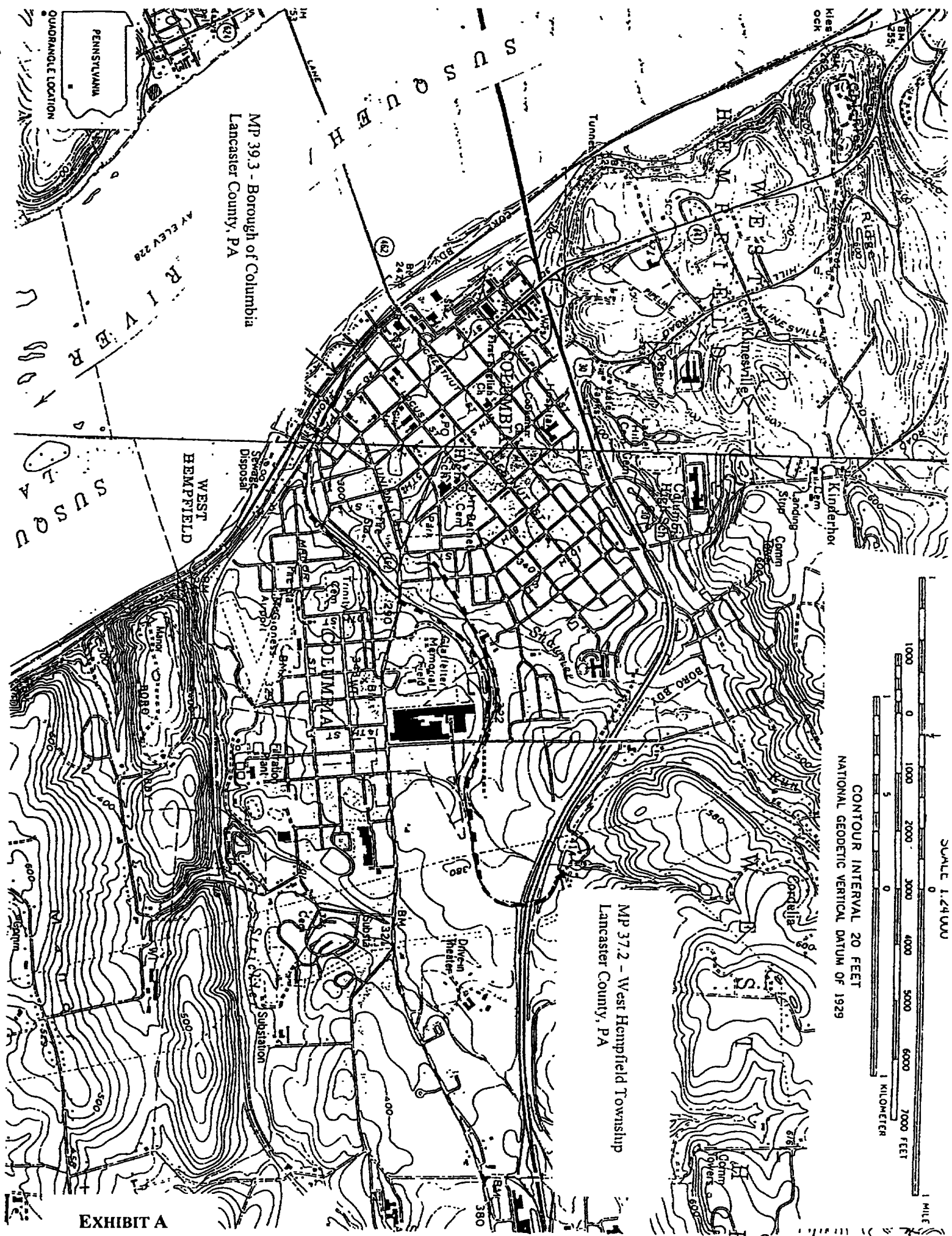


EXHIBIT A



Map data © 2010

43.125129 N, 117.71809 W, Elev: 501 ft

By: 101167611



© 2009 Europa Technologies

Image © 2009 DigitalGlobe

© 2009 Google

Image © 2009 Earthstar Geographics

43° 58' 50" N 72° 58' 20" W Elev: 466 ft

Google

Eynalt 17640 ft

EXHIBIT 2

MEMBERSHIP PURCHASE AGREEMENT

MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement ("Agreement") is made this _____ day of September, 2009 by and between Freedom Rail Management, LLC. ("FRM") hereinafter ("Buyer") and Railway Management, Inc., ("RMI") hereinafter ("Seller").

Purpose. Seller desires to sell fifty-one (51%) percent of its membership interest in Columbia & Reading Railroad Co., a Pennsylvania limited liability company, ("CORY") and Buyer is willing to purchase such interest, all on the terms and conditions set forth below.

Therefore, the parties intending to be legally bound and for good and valuable consideration as hereinafter set forth, agree as follows:

1. **Sale and Transfer of Membership Interest.** Subject to the terms and conditions of this Agreement, at the closing Seller will transfer a fifty-one (51%) percent membership interest in CORY to Buyer and Buyer will purchase that interest from Seller.

2. **Purchase Price.** The purchase price for this interest is Three Hundred Thousand (\$300,000.00) Dollars to be paid in cash at the closing as specified below.

3. **Closing.**

(a) As a condition precedent to Seller's obligation to close hereunder, that Buyer shall obtain at its expense approval of this transaction from the Surface Transportation Board and provide written evidence of such approval to Seller prior to closing.

(b) Subject to clause (a) above, closing shall be at the law offices of Nikolaus & Hohenadel, LLP., Columbia, Pennsylvania at _____ o'clock on _____, 2009.

4. **Operating Agreement.** Prior to the closing Seller will have delivered to Buyer an Amended Operating Agreement for CORY which will provide, in addition to the usual matters found in such Agreement, that all major decisions and fundamental changes will be made only with the affirmative consent of members holding seventy-five (75%) percent of the percentage interests in CORY. For this purpose major decisions and fundamental changes include:

a. Sale of any assets of CORY other than in the ordinary course of business.

b. Sale of Buyer's membership interest in CORY.

- c. Any amendment to the Operating Agreement other than clerical amendments.
- d. Proposed dissolution or termination of CORY.
- e. Filing for reorganization or liquidation and bankruptcy.
- f. Pledging of CORY assets, assignment for benefit of creditors or encumbrance of such assets for any loans.
- g. Any expansion of the business of CORY.
- h. Any distributions of earnings or profits of CORY other than tax distributions as provided in the Operating Agreement.

5. Operating Requirements. On and after the closing Buyer will cause CORY to do the following:

- a. Insure its operations under the rail insurance policy currently maintained by Buyer on its other rail operations in which it has an interest and naming RMI and Frank Sahd Salvage Center, Inc. as additional insureds.
- b. Apply for a property tax exemption on the basis that CORY's operation is a railway.
- c. Complete the Interchange Agreement with Norfolk and Southern Railroad.
- d. Provide members with quarter annual financial reports, including a balance sheet and profit and loss statement and copies of all tax returns filed.

6. Right of First Refusal. Neither party may attempt to sell or transfer its interest in whole or in part in CORY without first offering such interest to the other on the same terms and conditions as the proposed transfer or sale. Such right of first refusal shall be absolute and if exercised by the non-selling party, the non-selling party shall be entitled to purchase the selling member's interest on all of the same terms and conditions as would have been extended to the third party by the offering member.

7. Leasing of Locomotive. At closing RMI will have good title to an operating locomotive suitable for CORY's rail operations. Buyer will cause CORY to lease such locomotive from RMI for use by CORY on such terms and conditions as are customary in the rail industry. Such lease shall provide that CORY will maintain the locomotive in good operating condition during the entire lease term in compliance with all laws, regulations and industry standards.

8. Rail Charges. RMI and Frank Sahd Salvage Center, Inc. will be assessed the usual charges by CORY for services performed for either or both of them, except that Frank Sahd Salvage Center, Inc. shall not be charged for the movement of cars from its location in Columbia, Pennsylvania to the switch. This switching shall be provided as an accommodation to Frank Sahd Salvage Center, Inc.

9. Seller Right to Audit. After the closing Seller shall have the right at its sole expense to perform or have performed for it such review of CORY's financial records, including but not limited to preparation of a compilation or an audit, as determined by Seller and the accounting professionals engaged by Seller to perform such work.

10. Representations and Warranties of Seller. Seller represents and warrants to Buyer that:

a. Seller is the sole member of CORY, there are no other owners, and it has the authority to enter into and execute this Agreement.

b. CORY is a Pennsylvania limited liability company duly organized, validly existing and in good standing under Pennsylvania law.

c. CORY has filed all tax returns and other reports due to the federal government, Pennsylvania and any municipality. Seller will have delivered to Buyer prior to closing copies of CORY'S financial statements and federal income tax returns for the past three (3) years.

d. The financial statements of CORY properly reflect its financial position, that it owns the assets and has no liabilities other than as shown thereon.

e. To the best of Seller's knowledge there are no claims asserted or unasserted against CORY which are not fully disclosed, either in the financial statements or its tax returns.

f. CORY has complied with all legal requirements in its operations.

g. There shall be no material adverse change to the financial condition of CORY or of any of its assets between the execution of this Agreement and the closing.

11. No Brokerage. Each party represents to the other that there are no brokers or finders involved in this transaction and that no third party is entitled to a fee or payment in connection with this Agreement.

12. Warranties of Buyer. Buyer warrants that it is a Pennsylvania limited liability company in good standing and is authorized to execute this Agreement and to carry out its provisions.

13. Seller Deliveries. At closing Seller shall deliver to Buyer a written statement showing Buyer's fifty-one (51%) interest in CORY, the locomotive lease and all books and records of CORY and other materials that Buyer reasonably requests.

14. Buyer Deliveries. At closing Buyer shall deliver to Seller its good check in the amount of Three Hundred Thousand (\$300,000.00) Dollars and a Secretary's Certificate or Manager's Statement or similar document evidencing the authority of Buyer to enter into this Agreement and acquire fifty-one (51%) of CORY.

15. Transaction Expenses. Each party shall bear its own expenses including those of its representatives, counsel, accountants and others.

16. Notices. All notices, consents or other communications concerning this Agreement must be in writing and given or sent to:

In the case of Seller:
Railway Management, Inc.
1045 Lancaster Avenue
Columbia, PA 17512
(phone)
(fax)

Copy To:

Richard G. Greiner, Esq.
Nikolaus & Hohenadel, LLP.
212 North Queen Street
Lancaster, PA 17602
(phone) 717-299-3726
(fax) 717-299-1811

In the case of Buyer:

Freedom Rail Management, LLC
Attention: Christopher D. Freed. President
197 Dock Street
Schuylkill Haven, PA 17972
(phone) 570-593-8211
(fax) 570-385-1762

Copy To:

17. Public Announcement. There shall be no public announcement of the execution of this Agreement or the closing except as is agreed by both parties.

18. Confidentiality. This Agreement is confidential and shall not be disclosed to anyone other than the parties' advisors without the prior written consent of the other party.

19. Entire Agreement. This is the entire agreement between the parties on the subject matter contained herein. This Agreement cannot be amended, modified or terminated without the written consent of both parties.

20. No Assignment. Neither party may assign any of its rights under this Agreement without the prior consent of the other party. This Agreement shall bind and inure to the successors and permitted assigns of either party.

21. Time. With regard to all dates and time periods set forth in this Agreement time is of the essence.

22. Governing Law. This Agreement is executed in and will be governed by the laws of the Commonwealth of Pennsylvania.

23. Counterparts. This Agreement may be executed in one or more counterparts each of which will be deemed to be an original copy of this Agreement and all of which when taken together will be deemed to constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement under seal as of the day and year first above written.

Buyer:

Freedom Rail Management, LLC

By: _____
Christopher D. Freed, President

Seller:

Railway Management, Inc.

By: _____
Ronald G. Sahd, President

CERTIFICATE OF SERVICE

I hereby certify that I have caused the Verified Notice of Exemption to be served by first class mail, postage prepaid, this 11th day of December 2009, on

Secretary US Department of Transportation
Docket Clerk, Office of Chief Counsel
Federal Railroad Administration
400 7th Street S.W., Room 5101
Washington, D.C. 20590

Attorney General of the United States
U.S. Department of Justice
950 Pennsylvania Avenue N.W.
Washington, D.C. 20530-0001

Federal Trade Commission
600 Pennsylvania Avenue, N.W.
CRC-240
Washington, DC 20580

Governor Edward G. Rendell
225 Main Capitol Building
Harrisburg, Pennsylvania 17120

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
2nd Floor, Room-N201
Harrisburg, PA 17120

Governor John Lynch
State House
107 North Main Street, Room 208
Concord, NH 03301

George Campbell, Jr.
Commissioner
New Hampshire Department of Transportation
PO Box 483
7 Hazen Drive
Concord, NH 03302



Jeffrey Moreno